



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

GERALD C. MANN
ATTORNEY GENERAL

Honorable Jesse James
State Treasurer
Austin, Texas

Dear Mr. James:

Opinion No. 0-4536

Re: Whether or not the State Treasurer is authorized to write from his records the amount of funds set up for the Railroad Unemployment Insurance Account in pursuance of Section 7-A of the Texas Unemployment Compensation Act.

We beg to acknowledge receipt of your letter of May 8, 1942, as follows:

"The Texas Unemployment Compensation Act provides that the State Treasurer shall set up an account called the Unemployment Trust Fund. Contributions made by employers through the Unemployment Compensation Commission are transferred from the Unemployment Compensation Clearance Fund to the Unemployment Compensation Trust Fund, which up until October 15, 1941, was maintained in the Federal Reserve Bank, Dallas, Texas.

"On October 15, 1941, in compliance with decisions of court the State Treasurer transferred all balances maintained in this Department to a General Ledger account styled the Unemployment Compensation Trust Fund, of which the Austin National Bank, Austin, Texas, is custodian under the court's decision.

"During the month of September, 1940, a separate account was set apart on the records of the State Treasurer for the funds belonging to the Railroad Unemployment Insurance Board, which had former-

ly been carried under the Unemployment Compensation Trust Fund and which amounted to \$4,227,030.42. You will find attached correspondence received through the Unemployment Compensation Commission covering this transaction.

*Section 9-A (7-A) of the Texas Unemployment Compensation Act reads as follows:

"Notwithstanding any requirements of this Chapter, the Commission shall, prior to whichever is the later of (1) thirty days after the close of this Session of the Legislature and (2) July 1, 1932, authorize and direct the Secretary of the Treasury of the United States to transfer from this State's account in the Unemployment Trust Fund, established and maintained pursuant to Section 904 of the Social Security Act as amended, to the Railroad Unemployment Insurance Account, established and maintained pursuant to Section 10 of the Railroad Unemployment Insurance Act, an amount hereinafter referred to as the preliminary amount; and shall, prior to whichever is the later of (1) thirty days after the close of this Session of the Legislature and (2) January 1, 1940, authorize and direct the Secretary of the Treasury of the United States to transfer from this State's account in said Unemployment Trust Fund to said Railroad Unemployment Insurance Account an additional amount, hereinafter referred to as the liquidating amount."

*Last week this office was advised by Mr. Herri-
man, Chief Accountant of the Unemployment Compensation Commission, that the amount of \$4,227,030.42 which had been set up on the Treasurer's records as a separate book account under the control of the Unemployment Compensation Trust Fund was no longer administered by the Commission. As you will note, Section 9-A does not instruct the State Treasurer to specifically write these funds from his records. Our question is: In your opinion is the State Treasurer justified in writing the amount of funds set up for the Railroad Unemployment Insurance Account entirely from his records?

Honorable Jesse James - page 3

"As explained above, funds received which represent this transfer originally came as contributions from employers and were deposited under State Depository Warrants and placed in the Unemployment Compensation Trust Fund by a State Pay Warrant payable to the Federal Reserve Bank. In our opinion it is the intent of the State Legislation to make the Railroad Unemployment Insurance Account separate and distinct from any records maintained by the State Treasurer; however, the Legislation does not instruct the Treasurer in this respect."

We concur in the opinion expressed by you in the last portion of the quotation above, and respectfully advise that your question should be answered in the affirmative.

Very truly yours

ATTORNEY GENERAL OF TEXAS

By

Osie Spoor
Osie Spoor
Assistant

OS-122

APPROVED MAY 13, 1942

Gerscho. Mann
ATTORNEY GENERAL OF TEXAS



OK
May 13